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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

JOINT BASE LIMITED	)	CV 11-03812 RSWL (PLAx)
	)	
Plaintiff,	)	<b>ORDER re: Defendant</b>
	)	<b>Saeahan Bank's Motion for</b>
v.	)	<b>Judgment on the</b>
	)	<b>Pleadings Pursuant to</b>
SAEHAN BANK,	)	<b>FRCP 12(c) [15]</b>
	)	
Defendant.	)	
	)	
	)	

On February 28, 2012, Defendant Saeahan Bank's ("Defendant") Motion for Judgment on the Pleadings Pursuant to Federal Rule of Civil Procedure 12(c) [15] came on for regular calendar before the Court. The Court having reviewed all papers submitted pertaining to this Motion and having considered all arguments presented to the Court, **NOW FINDS AND RULES AS FOLLOWS:**

The Court hereby **DENIES** Defendant's Motion for Judgment on the Pleadings. Under Federal Rule of Civil Procedure 12(c), a dismissal is appropriate when the moving party establishes on the face of the pleadings

1 that there are no issues of material fact and that it  
2 is entitled to judgment as a matter of law. Hal Roach  
3 Studios v. Richard Feiner and Co., 896 F.2d 1542, 1550  
4 (9th Cir. 1990). On a Rule 12(c) motion, the court  
5 must accept as true all material facts alleged in the  
6 complaint and must draw all reasonable inferences in  
7 favor of the non-moving party. Fleming v. Pickard, 581  
8 F.3d 922, 925 (9th Cir. 2009).

9 In its Complaint, Plaintiff Joint Base Limited  
10 ("Plaintiff") alleges that it had wire transferred  
11 money to a bank account with Defendant belonging to  
12 third party, Vision Network International Corporation  
13 ("Vision"). Plaintiff further alleges that Vision's  
14 principal officer informed Defendant that Vision was  
15 acting as Plaintiff's agent and holding the money in  
16 trust as part of a commercial transaction. Pertinent  
17 here, Plaintiff alleges that Defendant subsequently  
18 froze Vision's account on the pretext that Vision owed  
19 Defendant a debt from a business loan, and that  
20 Defendant, then, took the money from Vision's account.

21 In the present Motion, Defendant has moved the  
22 Court to dismiss Plaintiff's first claim for  
23 conversion. Defendant does not argue that Plaintiff  
24 has insufficiently pled the elements of conversion.  
25 Rather, Defendant argues that it is entitled to a  
26 judgment on the pleadings because as a matter of law, a  
27 bank, such as Defendant, can never convert funds  
28 deposited in the bank. Defendant relies on the

1 principle that title to money passes to a bank as soon  
2 as the money is deposited into a bank and that a bank  
3 cannot convert its own assets. Morse v. Crocker Nat'l  
4 Bank, 142 Cal. App. 3d 228, 232 (Ct. App. 1983).

5 However, the Court finds that Defendant's argument  
6 is without merit. The Court finds that Plaintiff has  
7 pled sufficient facts in its Complaint to support a  
8 legally cognizable claim of conversion against  
9 Defendant. In its Motion, Defendant ignores a special  
10 exemption to the general rule that a bank cannot  
11 convert deposited funds. This exception occurs when a  
12 depositor makes a "special deposit," whereby money is  
13 deposited with an accompanying agreement that the money  
14 shall be returned or that it shall be paid out for a  
15 specific purpose. Van de Kamp v. Bank of America, 204  
16 Cal. App. 3d 819, 858 (Ct. App. 1988). In a special  
17 deposit, the fund is a trust fund and a bank acquires  
18 no title to the funds and has no right to use the funds  
19 in its banking business. Id.

20 In the Complaint, Plaintiff alleges that Vision  
21 informed Defendant that Vision was holding the money in  
22 trust for Plaintiff. From this allegation, the Court  
23 finds that it can reasonably be inferred that Vision  
24 and Defendant had an agreement that the funds were to  
25 be held in trust for Plaintiff. As such, the Court  
26 finds that there are enough facts in the pleadings to  
27 draw the inference that the funds at issue were on  
28 special deposit. The Court finds that this supports

1 the legal proposition that Defendant did not acquire  
2 title to Plaintiff's special deposit funds but had  
3 converted the funds. As such, the Court finds that  
4 Defendant is not entitled to judgment as a matter of  
5 law because Plaintiff has pled a legally cognizable  
6 claim for conversion.

7 In sum, based on the foregoing reasons, the Court  
8 hereby **DENIES** Defendant's Motion for Judgment on the  
9 Pleadings Pursuant to Federal Rule of Civil Procedure  
10 12(c).

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12 **IT IS SO ORDERED.**

13 DATED: March 8, 2012

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15 RONALD S.W. LEW

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**HONORABLE RONALD S.W. LEW**

18 Senior, U.S. District Court Judge  
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